

Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 00444 140906Z

15

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 NEA-10 IO-14 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07

OPIC-12 SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10

SS-20 STR-08 CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15

DRC-01 /179 W

----- 092230

R 140805Z JAN 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 0311

LIMITED OFFICIAL USE MANILA 0444

USADB

TREASURY FOR FINKEL

E.O.11652: ADS, DECLAS 6/30/74

TAGS: EAID, EFIN

SUBJ: ACCOUNT RELATIONSHIP WITH BANK FOR INTERNATIONAL
SETTLEMENTS (BIS)

SUMMARY: ADB MANAGEMENT IS REQUESTING AUTHORITY TO INCREASE
DEPOSIT PLACEMENT
LIMIT WITH BIS TO EQUIVALENT OF US \$15
MILLION FROM EXISTCHG LIMIT OF US \$5 MILLION. BOARD
DECISION IS SCHEDULED FOR JAN 31. USADB RECOMMENDS
FAVORABLE ACTION.

1. ADB DOC R3-74 ENTITLED "ACCOUNT RELATIONSHIP WITH THE
BANK FOR INTERNATIONAL SETTLEMENTS" POUCHED JAN 9 TO BE

CONSIDERED BY BOARD JAN 31.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 00444 140906Z

2. ON DEC 12, 1967 BOARD OF DIRECTORS APPROVED

ESTABLISHMENT OF AN ACCOUNT RELATIONSHIP WITH BIS SUBJECT TO THREE CONDITIONS: (1) THAT CURRENCIES USED FOR SUCH PLACEMENT ARE ONES NORMALLY HANDLED BY BIS, (2) THAT AMOUNTS PLACED WITH BIS SHALL NOT ON AVERAGE EXCEED EQUIVALENT OF \$5 MILLION AND (3) THAT PRIOR CONCURRENCE OF AUTHORITIES OF COUNTRY WHOSE CURRENCIES ARE INVOLVED HAS BEEN OBTAINED. SINCE OPENING OF ACCOUNT RELATIONSHIP WITH BIS IN FEB 1968, BANK HAS CONSISTENTLY MAINTAINED DEPOSITS IN U.S. DOLLARS AVERAGING BETWEEN 4 AND 5 MILLION DOLLARS.

3. ACCORDING TO DOC R3-74 PRESENT REQUEST IS SUPPORTED BY THE FACT THAT BANK'S INVESTMENT PORTFOLIO NOW AMOUNTS TO ALMOST \$500 MILLION COMPARED TO \$102 MILLION IN 1967 AND THAT BANK'S CEILING OF DEPOSITS WITH ALL OTHER DEPOSITORIES HAS BEEN INCREASED TO \$15 MILLION.

4. USADB FEELS THAT THESE ARE DUBIOUS REASONS FOR RECOMMENDED ACTION. HOWEVER, REVIEW OF ORIGINAL BOARD PAPER R26-67 ON SUBJECT AND DISCUSSIONS WITH BANK STAFF REVEAL THAT REQUESTED INCREASE CAN BE JUSTIFIED FROM BANK'S CASH MANAGEMENT POINT OF VIEW. DEPOSITIS WITH BIS, IN ADDITION TO PAYING COMPETITIVE MAJTET RATES, PROVIDE WITHDRAWAL PRIVILEGES ON 48 HOUR NOTICE. THEREFORE, ADDITONAL LIQUIDITY OF UP TO \$15 MILLION WOULD PROVIDE CONSIDERABLE FLEXIBILITY IN CASH MANAGEMENT, PARTICULARLY WHEN BANK'S LOAN DISBURSEMENT RATE IS STEPPING UP.

5. IF APPROVED BY BOARD, MANAGEMENT INTENDS TO BUILD UP BIS DEPOSITS TO \$15 MILLION OVER NEXT THREE MONTHS PERIOD. FUNDS TO COME FROM PROCEEDS OF RECENT AUSTRIAN GOVT LOAN AND OTHER MATURING CERTIFICATE OF DEPOSITS.¹⁷

6. SINCE RECOMMENDED ACTION INCREASES LUQUIDITY OF BANK INVESTMENT PORTFOLIO WITHOUT SIGNIFICANT EFFECT ON YIELD, USADB RECOMMENDS FAVORABLE DECISION ON BANK PROPOSAL AS SUBMITTED.
SULLIVWH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, BANK ACCOUNTS, BANK DEPOSITS, COMMITTEE MEETINGS, AMENDMENTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA00444
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740144/aaaabpdk.tel
Line Count: 98
Locator: TEXT ON-LINE
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 07 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Aug-2002 by martinml>; APPROVED <03-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ACCOUNT RELATIONSHIP WITH BANK FOR INTERNATIONAL SETTLEMENTS (BIS)
TAGS: EAID, EFIN, ADB-1
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005